

“No PO, No Pay”

(no purchase order, no payment)

As of November 2020, TAP Group will implement a 'No PO, No Pay' policy. This means that it will be necessary to have a purchase order (PO) for all goods and services ordered from suppliers, and that the latter will have to request the respective purchase order number so that they can associate it with the invoice.

Concept

If an invoice is received without an associated PO (purchase order), the invoice will not be paid. This is the only way we can build an efficient relationship between TAP Group and its suppliers, by ensuring that the latter commit to a commercial transaction only when they are sent a purchase order. This decision is meant to protect both TAP Group and its suppliers from unnecessary risks.

Objective

The purpose of the 'No PO, No Pay' policy is to control all company expenses, bearing in mind the history of purchase orders, and to align procurement with the actual payment while eliminating independent expenditure. The main focus is to document activities and control spending more efficiently, thus avoiding mistakes, communication failures, or fraudulent billing.

Cooperation

TAP Group is aware that this is a team effort, focusing on the solution's ease-of-use and automation. Only thus will suppliers receive their payments quickly, as the financial department will no longer need to compare prices and quantities or ascertain whether a particular good or service has been actually delivered or provided. Both TAP group and its suppliers will have what they want, when they want it, in a more sustainable manner.

Dedicated team

Without an associated purchase order, suppliers know that sending an invoice will not result in a payment. For this reason, TAP group has a qualified team that makes sure sourcing events are carried out before any payment, with the purchase order serving as a binding document.

PO from TAP Group

You have received a PO from TAP Group before providing any goods or services. The pre-approval process gives the supplier an assurance that the order has been approved by an appropriate TAP Group manager before the order reaches you.

Benefits

- Expenditure transparency
- Ensuring that the expenditure is approved according to TAP Group's delegation of powers
- Mutual trust between the parties
- Compliance with agreed-upon terms
- Faster payments
- Strengthening and coordination of Procurement and Accounts Payable teams
- Improved financial analysis and reporting
- Centralized team
- Process optimization and automation
- No more mistakes or fraudulent billing
- Greater compliance and efficiency in expenditure control

Exceptions

Not all purchases require a purchase order. However, this does not mean that a given expenditure should not be visible. The current list of exceptions is as follows:

- Traveling (airline tickets, hotels, taxis, etc.)
- Legal services
- Communications
- Fuel
- Vehicle leasing or renting
- Insurance
- Utilities (electricity, gas, and water)
- Emergencies that may jeopardize the operation
- Expenditures of less than €250